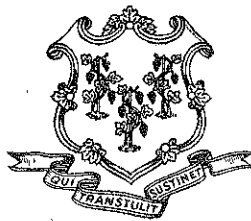


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March 12, 2012

Good Afternoon Senator Daily, Representative Widlitz, and members of the Finance, Revenue and Bonding Committee. I am here today to testify in support of SB 356, AN ACT EXPANDING THE NEIGHBORHOOD ASSISTANCE ACT.

Last year PA 11-140, AN ACT CONCERNING THE CONTINUANCE OF THE MAJORITY LEADERS' JOB GROWTH ROUNDTABLE included changes to update the Neighborhood Assistance Act (NAA) which provides business tax credits to companies that invest in certain municipally approved community activities and programs.

PA 11-140 increased, from \$75,000 to \$150,000, the total amount of credits that a company may claim per year under the NAA. By law, a company generally receives a credit of 60% of its investment up to the annual maximum. The act also eliminated an eligibility requirement that a company's total contributions eligible for the NAA credit had to equal or exceed its total charitable contributions for the prior year. These provisions have met with great success and for the first

time in many years the NAA used its entire \$5 million allotment under the statute. In fact, for the first time, applications exceeding the \$5 million cap required a proration of grants.

The act also attempted to extend NAA tax credit eligibility to companies subject to the state's \$250 business entity tax. These companies include S corporations, limited liability companies, limited liability partnerships, and limited partnerships. Unfortunately, the act only added these companies (created by Chapter 213a of our statutes) to the definition section and not to the subsequent sections which grant the authority to use the program for specific types of non-profits. If all we do is add the 213a companies to these sections, the only revenue that can be used for the program would be the registration fee which, although small, can have a significant effect in the aggregate

Thank you for raising this bill to improve an already successful program.